European Innovation Council

EIC Innovation Procurement Toolkit:

Module D – Innovation Procurement at the International Level

Country profile 5. The United Kingdom

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Introduction

As one of the world's largest economies, the United Kingdom offers a range of opportunities for innovative European Small and Medium-sized Enterprises (SMEs) and start-ups looking to expand into a highly competitive and dynamic market. With a GDP approximately £3 trillion[1] [2]in 2024 and a population of over 61,8 million[3][4], the UK is a global hub for innovation-led industries, including engineering, technology, energy transition, manufacturing, trade, and healthcare.

This chapter of the **EIC Innovation Procurement Toolkit Module on International Procurement** is designed to equip European SMEs and Start-Ups with the essential knowledge and tools to successfully navigate the **UK procurement ecosystem**[5]. Through this guide, businesses will gain:

- **Market intelligence:** Insights into the UK procurement landscape, including key national and regional strategies, major industry players, and emerging opportunities.
- **Regulatory & compliance guidance:** A comprehensive overview of UK procurement laws, contracting procedures, certification programmes, and intellectual property (IP) protection.
- **Strategic partnerships:** Information on identifying and engaging with key buyers, suppliers, and partners in central, regional, and private-sector procurement.
- **Tendering opportunities:** A step-by-step approach to finding, understanding, and applying for public and private contracts, including guidance on navigating **Central Digital Platform**, and regional-specific procurement platforms.
- **Operational readiness & risk management:** Practical advice on financial and legal preparedness, cultural considerations, business etiquette, and risk mitigation strategies for market entry.

By leveraging this guide, European SMEs will be better positioned to navigate the complexities of the UK procurement system, seize new growth opportunities, and establish a lasting presence in this highly lucrative market.

IMPORTANT NOTE

It is worth noting that the UK procurement landscape is subject to ongoing updates and reforms, with recent policy shifts influencing how businesses engage with central government and devolved administrations. Key changes include efforts to streamline public sector procurement processes, modernise technology and defence acquisition practices, and introduce evolving standards for AI-driven innovation. Readers are advised to verify the latest updates to this Chapter and to seek professional advice to ensure compliance and informed decision-making.

[1] International Monetary Fund. (2024, October). World Economic Outlook. Retrieved from https://www.imf.org/external/datamapper/NGDPD@WEO/GBR

[2] Powell, A. (2025, July 16). *Gross domestic product (GDP): Economic indicators* (Research Briefing SN02783). House of Commons Library. https://commonslibrary.parliament.uk/research-briefings/sn02783/

[3] World Bank, "Total population in the United Kingdom (2024 revision)", https://data.worldbank.org/indicator/SP.POP.TOTL?locations=GB

[4] Office for National Statistics. (2025, July 30). *Population estimates for England and Wales: Mid-2024*. https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/bulletins/populationestimatesforenglandandwales/mid2024

[5] Disclaimer: t*he UK procurement landscape is dynamic, with ongoing updates and reforms. Readers should always verify the latest regulations and seek professional advice to ensure compliance. This chapter reflects the situation as of [Insert Date - ideally the date of the final version.*

1. Is the UK market attractive for my company?

Before entering the UK market, it is crucial to assess its attractiveness in relation to your business. A comprehensive understanding of the local procurement environment—both public and private—is essential.

1.1 Gather insights for your market research

Successfully entering the UK market requires thorough research and a strategic approach. For European SMEs and start-ups, understanding the innovation procurement landscape is essential to assess demand, identify opportunities, and establish a competitive edge. Market demand can be analysed through reports from reputable sources such as **the UK Small Business Commissioner**, **UK Gov Data**, **IBISWorld**, and **Statista**, which offer insights into sector growth, emerging trends, and technological advancements. Conducting a competitor analysis is equally crucial, as it helps businesses understand key market players' positioning. Platforms like **Companies Housem Crunchbase** and **PitchBook**, filings provide valuable data on funding trends, established competitors, and new market entrants.

Understanding consumer behaviour is another fundamental aspect of market research. European companies should explore resources such as the **Office for National Statistics (ONS)** and the **YouGov** to gain insights into purchasing behaviour, technological adoption rates, and demographic shifts that may influence market entry strategies. Additionally, compliance with UK regulations is critical, as regulatory frameworks vary by sector. Businesses should familiarise themselves with industry-specific requirements established by agencies such as the **Medicines and Healthcare products Regulatory Agency (MHRA)** for healthcare-related products, the **Competition and Markets Authority (CMA)** for consumer protection matters, and **Ofcom** for technology-based products.

For **Scotland, Wales**, and **Northern Ireland,** additional resources and agencies include:

- **Scotland:** **National Records of Scotland (NRS)** for demographic data and **Healthcare Improvement Scotland (HIS)** for healthcare regulations.
- **Wales:** **Welsh Government Statistics and Research** for demographic data and **Healthcare Inspectorate Wales (HIW)** for healthcare regulations.
- **Northern Ireland:** **Northern Ireland Statistics and Research Agency (NISRA)** for demographic data and **Regulation and Quality Improvement Authority (RQIA)** for healthcare regulations.

Annex 1 and **Annex 2** to this chapter provide more information on the country's **government and economy**, as well as on its **business culture** with key information to take into account as part of your market entry.

As the current UK administration has already established its socio-economic and political policies for 2025 and beyond, several industries have been identified for prioritised support in foreign investment and innovation. Historical trends and current developments indicate that these sectors present promising opportunities for European SMEs and startups.:

- The UK continues to invest heavily in **technology, artificial intelligence (AI), cybersecurity, and 5G infrastructure**, seeing these as critical for both technological leadership and national security. Opportunities abound for EU firms in sectors such as AI-driven automation, quantum computing, and blockchain technology. For startups working on cutting-edge solutions, the UK offers a competitive environment where demand for innovative technologies is strong.
- The UK prioritises **domestic energy production,** but there are still significant opportunities in **infrastructure development, natural gas exports, nuclear energy**, and certain renewable sectors such as solar, wind, and hydrogen technologies. EU startups focused on sustainable energy solutions or clean technology innovations may find opportunities to engage in joint ventures or government-supported projects.
- With **healthcare and biotechnology** continuing to be a key priority, there is substantial interest in **medical devices, pharmaceuticals, and telemedicine.** The UK market remains one of the largest for biotech products,

offering opportunities for European firms, especially those working in personalised medicine, digital health, or biotech research. Collaboration with UK firms or participation in UK-based healthcare initiatives could be highly beneficial.

- **Infrastructure development** is another focus area, creating opportunities in construction, urban planning, and transportation technologies. Startups with innovative solutions in smart city technology, data analytics for urban planning, or sustainable infrastructure development may find growing demand for their expertise, particularly through public-private partnerships.
- Strengthening the **UK defence sector** is a national priority, with a specific focus on aerospace innovation, space technology, and defence-related AI. EU businesses with expertise in these areas may find opportunities to collaborate on high-tech projects, although it is important to be aware of the regulations surrounding national security and defence exports.
- **Agricultural innovation**, particularly in precision farming, automation, and sustainable practices, is receiving increased attention. The UK is keen on **adopting advanced AgTech solutions** to modernise its agricultural sector, creating opportunities for EU firms specialising in farming technologies, automation, and sustainability to engage in partnerships or joint ventures.
- The UK is focused **on revitalising its manufacturing sector**, with a particular emphasis on reshoring, automation, and industrial innovation. EU businesses in areas such as robotics, automation technologies, and smart manufacturing solutions may find incentives to partner with UK firms or even establish a presence in the market to capitalise on this drive for modernisation.

As the UK focuses on sectors that align with its goals of economic growth, technological leadership, and innovation, European SMEs and startups have significant opportunities to invest, collaborate, and expand into the UK market. To successfully tap into these opportunities, it's essential to stay informed on policy changes, explore potential partnerships with UK firms, and ensure compliance with relevant UK regulations.

1.2 Key national strategies and policies

Several national strategies and policies in the UK have a direct impact on innovation procurement, and European SMEs and start-ups must ensure that their business objectives align with these initiatives to capitalise on the opportunities they present. Below are key national strategies and policies to consider:

- The **UK Innovation Strategy (2021)** supports innovation across various sectors, aiming to promote domestic production and reduce reliance on foreign suppliers. It creates a competitive environment for companies that can offer cutting-edge technological solutions.
- The **UK government's Science and Technology Framework (2025)**, published in April 2025, sets out a strategic plan to position the UK as a global leader in innovation by integrating science and technology across all government policies. It focuses on advancing critical technologies like AI and quantum computing, investing in research and development, developing talent, supporting innovative companies, enhancing infrastructure, fostering international partnerships, and creating a supportive regulatory environment. The framework aims to drive national growth, security, and public well-being through a coordinated, innovation-led approach across the public sector and economy.
- The **National Infrastructure Strategy: A 10 year Strategy** has allocated significant funding to improve UK infrastructure development, covering sectors such as transport, energy, and digitalisation. It presents significant opportunities for innovative European companies, particularly those involved in green technologies or digital solutions, to collaborate and grow in the UK market. Along with the National Infrastructure Strategy, the **Infrastructure Pipeline** is introduced to underpin the delivery of the government's Strategy. It is a live tracker of the country's pipeline. Also launched in July 2025. The pipeline outlines £530 billion of projects and programmes over the next ten years, which includes £285 billion funded solely by the public sector. It comes as the government announced last month at least £725 billion of government funding over the coming decade, as part of a new approach to how projects are planned and delivered.
- **UK Government's programmes** such as the **Innovate UK Contracts for Innovation** (under **UK Research and Innovation Agency**) offer funding and support for small businesses engaged in research and development (R&D), particularly those focusing on pioneering technologies. European start-ups looking to commercialise innovations in the UK market can leverage these programmes, provided they meet eligibility.
- The **UK – EU Trade and Cooperation Agreement** effective from 1 January 2021, establishes the framework for post-Brexit relations between the European Union and the United Kingdom. This comprehensive agreement

ensures zero tariffs and zero quotas on goods traded between the two parties, provided they meet the rules of origin. It also includes provisions for trade in services, customs and regulatory cooperation, and commitments to maintain high standards in labour rights, environmental protection, and competition policy. Additionally, the agreement addresses fishing rights, security cooperation, and sets up mechanisms for governance and dispute resolution to ensure effective implementation and enforcement. Recent updates have introduced efforts to create a common sanitary and phytosanitary (SPS) area to ease checks on agri-food goods, initiatives to link the UK and EU Emissions Trading Systems to support decarbonisation, discussions on a new youth mobility scheme, and the establishment of a dedicated Security and Defence Partnership to enhance cooperation on security, cyber threats, and crisis management. The agreement also maintains mechanisms for governance and dispute resolution to ensure effective implementation and enforcement.

- The **National AI Strategy (2022)** coordinates AI research and development across federal agencies with the goal of maintaining UK leadership in AI technologies. European companies in the AI sector may find opportunities for collaboration, funding, and participation in UK-led AI projects.
- The **Energy Act (2023)** facilitates the development of clean energy technologies, focusing on heat networks, energy security, nuclear and hydrogen. European SMEs and start-ups in renewable energy and clean tech sectors can explore procurement opportunities in the UK as part of the UK's transition to a more sustainable energy future.
- The UK government emphasises enhancing cybersecurity for critical infrastructure, as detailed in the **UK Government Cyber Security Strategy (2022-2030)**. The Strategy outlines a comprehensive approach to enhancing cybersecurity across critical infrastructure. The strategy aims to bolster resilience against evolving cyber threats by implementing secure-by-design principles, strengthening supply chain security, and expanding regulatory frameworks to include managed service providers and digital service providers. A key component is the forthcoming Cyber Security and Resilience Bill, which will introduce stricter incident reporting requirements, empower regulators with enhanced oversight capabilities, and ensure that the regulatory framework remains adaptable to emerging threats. European companies offering innovative cybersecurity solutions can engage with government initiatives, collaborate with the National Cyber Security Centre (NCSC), and participate in public-private partnerships to contribute to the UK's cybersecurity objectives.
- The **Procurement Act 2023**, effective from **24 February 2025**, modernises UK public procurement by replacing EU rules with a more flexible, transparent, and SME-friendly system. It emphasises value for money, fairness, integrity, non-discrimination, and transparency throughout the procurement process. Key changes include simplified procedures to reduce bureaucracy, a central digital platform for easier access to opportunities, stronger reporting requirements, and new notices for pipeline projects and contract changes. The Act also introduces measures to promote ethical conduct, such as a debarment list. Procurement procedures offer flexibility with open, competitive flexible, and limited tendering options. The process follows four stages: planning, tendering, award, and contract management, aiming to boost efficiency, innovation, and responsible use of public funds.The **National Procurement Policy Statement (NPPS)**, published in February 2025 under the **Procurement Act 2023**, sets out the UK Government's strategic priorities for public procurement. It mandates that contracting authorities consider principles such as delivering value for money, supporting economic growth, maximising social and economic value, improving commercial capability, and upholding ethical and environmental standards. Effective from **24 February 2025**, the NPPS applies to most public sector bodies and aims to ensure procurement delivers both efficiency and broader public benefits across communities and supply chains.

To fully comprehend the procurement landscape, it is essential to understand the broader regulatory framework that governs how procurement contracts are awarded in the UK. For instance, public procurement in the UK is primarily regulated by the **Procurement Act 2023**, which is the set of rules governing the procurement process for public sector contracts. The regulations ensure that the procurement process is fair, transparent, and consistent, with a focus on providing value for taxpayers while promoting competition and integrity in government contracting. Notably, the regulations incorporate principles from EU procurement directives, which may have implications for SMEs and start-ups. Various government agencies, such as the **Crown Commercial Service (CCS)** oversee specific procurement activities, and these agencies adhere to the **Procurement Act 2023** when awarding contracts. In addition to national procurement, local government procurement also has its own sets of rules, but they are generally influenced by national standards. In cases like the **Ministry of Defence (MoD),**, procurement procedures can be followed as dictated by CSS. However, **MoD** has more flexibility in procurement due to prioritisation of national security, highly specilised

requirements and complexity of agreements. companies seeking to engage in public procurement across various UK regions must familiarise themselves with the specific requirements for each jurisdiction.

On the other hand, private sector procurement in the UK is largely unregulated by the government. It operates within a market-driven framework where individual companies establish their own procurement policies and procedures. While private businesses are not required to follow the same stringent regulations as government entities, they must still comply with commercial laws and regulations, such as those concerning fair competition and anti-corruption practices. However, there are industry-specific regulations, such as those governing procurement in the healthcare, finance, and energy sectors, which may impose additional requirements. Trade associations and industry groups may also offer guidelines to help companies navigate procurement in specific sectors.

1.3 Establish the right market entry strategy for your business

For European SMEs and start-ups, the right market entry strategy will depend on several factors such as the nature of the business, available capital, and regulatory considerations. One of the most straightforward approaches is offering services **directly** from the EU to the UK. By providing services directly to UK clients, businesses can reach new customers with relatively low initial investment. However, this method requires careful attention to UK regulations, visa and work permit requirements, and certification standards, which can vary depending on the industry. Additionally, companies will need to manage client relationships, service delivery, and ensure compliance with relevant UK standards.

Another option for SMEs looking to expand in the UK is establishing a **UK subsidiary**. Setting up a physical presence provides a stronger foothold in the market, facilitating access to funding opportunities, government contracts, and tax incentives while also enhancing brand recognition and fostering relationships with local customers and partners. This can be particularly valuable for companies looking to work with the UK government and the **Ministry of Defence (MoD)**. Specifically, establishing a UK subsidiary can help with compliance for complex regulations like the **Public Procurement Act 2023** and with the establishment of necessary security agreements. However, this process requires careful planning, particularly when choosing the appropriate legal structure, such as a private limited company (Ltd) or a public limited company (PLC) and navigating the complexities of UK tax and labour laws. For European SMEs, an additional challenge lies in selecting the most suitable region for their business, as each has its own regulatory framework, tax policies, and incentives. Seeking guidance from legal and financial advisors can help ensure a smooth and strategic expansion.

Partnering with a UK-based distributor or forming strategic partnerships is another effective strategy for market entry. This approach allows European SMEs to leverage local expertise through their partners while maintaining control over their product or service. By working with a distributor, companies can benefit from their established distribution channels, marketing experience, and customer insights. This partnership can also help mitigate risks by sharing the responsibilities of inventory management, sales, and compliance with local regulations. However, selecting the right partner is crucial, as a trusted partner can make or break a market entry strategy. It's important to carefully vet potential distributors or partners to ensure they align with the company's values and long-term objectives.

Mergers and acquisitions (M&A) offer an opportunity to acquire an existing business with an established customer base. M&A can provide immediate market access, brand recognition, and operational infrastructure. It also reduces the time and effort required to build a new presence in the market. However, this route requires significant capital investment and careful due diligence. It is essential to ensure the target company aligns with the business's strategic goals and does not have any hidden liabilities or risks.

Alternatively, **franchising or licensing** can provide a scalable method for entering the UK market, especially for businesses in sectors such as retail, food service, or technology. Through franchising, a business can expand quickly by allowing local entrepreneurs to replicate its business model. Licensing, on the other hand, enables SMEs to monetise their IP or products by allowing a UK company to use their technology or branding. Both methods allow businesses to expand with lower financial risk, but they do require careful contract negotiation and oversight to ensure that the terms are mutually beneficial.

Choosing the most suitable market entry strategy requires a clear understanding of your business goals, available resources, and the specific challenges of the UK market. It is advisable to seek strategic and legal advice to explore which of the above scenarios is best suited to your business needs. Professional guidance can help identify potential risks, ensure regulatory compliance, and optimise your expansion strategy. Additionally, existing EU soft-landing programmes can offer valuable support for SMEs and start-ups looking to establish a presence in the UK market. The following section provides more information on these programmes.

2. Is my company legally prepared to comply with the UK market requirements?

The UK legal system mandates compliance with a wide range of regulations covering procurement, certification, IP, and labour practices. These requirements are crucial for businesses seeking to operate successfully in both the public and private sectors.

2.1 Innovation procurement in the UK

Innovation procurement in the UK aims to stimulate the development and adoption of value for money innovative solutions to address both public and private sectors' needs. By leveraging procurement as a strategic tool, the UK government seeks to drive economic growth, enhance public services, and solve societal challenges like climate change, healthcare needs and digital inclusion. This approach encourages collaboration between public sector organisations and private enterprises, particularly SMEs and start-ups, to foster innovation.

The legislative framework governing innovation procurement in the UK is primarily shaped by the **Procurement Act 2023**, which implement EU directives and set out the rules for public procurement, including provisions for innovation partnerships and competitive dialogue. The **Small Business, Enterprise and Employment Act 2015** includes measures to support SMEs in public procurement, promoting innovation and competition.

Recent trends in UK innovation procurement highlight an increased focus on sustainability, with procurement practices prioritising sustainable and environmentally friendly solutions. There is also a growing emphasis on digital transformation, particularly in areas like AI, cybersecurity, and data analytics. Public sector organisations are adopting collaborative procurement models, such as innovation partnerships and dynamic purchasing systems, to engage with innovative suppliers. Furthermore, initiatives like the **Small Business Research Initiative (SBRI)** provide funding and support for SMEs to develop and commercialise innovative solutions.

2.2 Regulatory landscape

For EU SMEs and start-ups aiming to enter the UK market, understanding the regulatory environment is crucial for successfully navigating both public and private procurement. The UK operates under a centralised system with national and local regulations, each imposing distinct requirements and procedures[6]. Compliance with these regulations can impact market entry, competitiveness, and the ability to secure contracts[7].

2.2.1 Public sector procurement

Public procurement refers to the process by which government entities—at the national and local levels—acquire goods, services, and infrastructure. This sector plays a significant role in the UK economy, with public procurement spending

[6] Crown Commercial Service. (2023, April 3). *Public procurement policy: The legal framework – international obligations*. GOV.UK. Retrieved July 9, 2025, from https://www.gov.uk/guidance/public-sector-procurement-policy#the-legal-framework---international-obligations

[7] Crown Commercial Service. (2023, April 3). *Public procurement policy: The legal framework – international obligations*. GOV.UK. Retrieved July 9, 2025, from https://www.gov.uk/guidance/public-sector-procurement-policy#the-legal-framework---international-obligations

reaching £434 billion in 2024/25[8]. Given its scale and impact, public procurement is tightly regulated to ensure transparency, competition, and efficiency.

Public sector procurement in the UK follows a structured process, governed by laws and regulations that vary by jurisdiction. At the national level, procurement is primarily regulated by the Procurement Act 2023, which outline the principles and procedures for acquiring goods and services. Additionally, specific sectors may have their own supplemental regulations, such as the DSPC for defence-related procurements.

Key aspects of central government procurement include:

- **Technology and innovation programmes**: Agencies such as **Innovate UK** provide funding opportunities for innovative companies. Innovate UK is part of UK Research and Innovation (UKRI) and supports businesses to develop and realise the potential of new ideas, including those from the UK's world-class research base.
- **Security and compliance requirements:** Many contracts, particularly in defence and critical infrastructure, require compliance with cybersecurity standards like Cyber Essentials and ISO/IEC 27001. **Cyber Essentials** is a government-backed scheme to help organisations protect themselves against common online threats.
- **Local government procurement:** Each UK region has its own procurement rules, and local authorities may have additional requirements. Understanding local procurement processes can unlock opportunities outside central government contracts. For instance, each region and most cities publish business advice on their websites, which are valuable resources for discovering the differences across public entities. It is worth noting that national laws supersede regional law where applicable policies conflict.
- **Small business set-asides:** The UK government provide incentives for small businesses, including those owned by women, veterans, and disadvantaged groups. To qualify for these opportunities, SMEs may need to establish partnerships with UK entities. It is advisable to monitor developments closely and adjust strategic priorities accordingly.

2.2.2 Private sector procurement

Innovation procurement in the private sector is a dynamic and evolving field, driven by the need for competitive advantage and technological advancement. Unlike public procurement, it is not governed by a single regulatory framework but is influenced by industry standards, corporate policies, and commercial best practices. Large corporations, technology firms, and multinational companies often seek innovative solutions from SMEs and start-ups through open innovation programmes, supplier diversity initiatives, and venture partnerships.

Key considerations for private sector procurement include:

- **Contracting standards**: Innovation procurement agreements are governed by contractual negotiations. Businesses should be prepared to meet terms related to liability, IP rights, and data security. These contracts often include clauses that address the ownership and usage rights of innovative solutions and technologies.
- **Regulatory compliance**: Certain industries, such as healthcare (Care Quality Commission standards), finance (Financial Conduct Authority regulations), and technology (data privacy laws like GDPR), require adherence to strict compliance standards. Innovators must ensure their solutions meet these regulatory requirements to be considered viable by private sector companies.
- **Corporate procurement portals**: Many corporations use supplier registration portals where SMEs can submit their profiles and bid for opportunities. Establishing relationships with procurement officers can enhance visibility. These portals often feature sections dedicated to innovative solutions, allowing SMEs to showcase their unique offerings.
- **Partnership and investment opportunities**: Innovation-focused firms often collaborate with start-ups through accelerator programmes, venture capital funding, or joint development initiatives. These partnerships can provide start-ups with the resources and mentorship needed to scale their innovative solutions and integrate them into larger corporate ecosystems.

[8] Booth, L. (2025, July 28). *Procurement statistics: A short guide*. House of Commons Library. https://commonslibrary.parliament.uk/research-briefings/cbp-9317/#:~:text=Public%20Spending%20Statistics,year%2C%20not%20adjusted%20for%20inflation

2.3 Certification schemes

In the United Kingdom, certification schemes are equally significant in both public and private sector procurement. There is no specific certification as a prerequisite for European SMEs to participate in public or private procurement. However, there are certain standards and requirements that SMEs must meet to be eligible and competitive in fostering innovation and ensuring compliance with regulatory and security requirements. These certifications enable businesses to demonstrate credibility, meet procurement criteria, and secure access to valuable contracts.

Public and private sector certification schemes

- **Cyber essentials:** Cyber Essentials is a government-backed scheme designed to help organisations protect themselves against common online threats. It demonstrates a commitment to cybersecurity, enhances reputation, and is often a requirement for public sector contracts. This certification is essential for SMEs looking to work with public sector organisations, particularly in IT and data-sensitive industries.
- **ISO 9001 (Quality management)**: ISO 9001 is an internationally recognised standard for quality management systems, focusing on continuous improvement and customer satisfaction. It improves operational efficiency, enhances customer satisfaction, and opens doors to new business opportunities. This certification is relevant for SMEs across various industries aiming to demonstrate their commitment to quality.
- **ISO 14001 (Environmental management)**: ISO 14001 provides a framework for effective environmental management, helping organisations reduce their environmental impact. It enhances sustainability practices, reduces waste, and improves compliance with environmental regulations. This certification is crucial for SMEs in industries such as manufacturing, construction, and services that want to show their commitment to environmental responsibility.
- **ISO 27001 (Information security management)**: ISO 27001 is a standard for managing information security, ensuring the protection of sensitive data. It enhances data security, ensures compliance with data protection regulations, and builds trust with clients and partners. This certification is vital for SMEs handling sensitive information, particularly in sectors like finance, healthcare, and IT.
- **ISO 45001 (Occupational health and safety management)**: ISO 45001 helps organisations improve employee safety, reduce workplace risks, and create better, safer working conditions. It reduces workplace incidents, improves employee morale, and ensures compliance with health and safety regulations. This certification is important for SMEs in industries such as construction, manufacturing, and services.
- **Constructionline**: Constructionline is a register for pre-qualified contractors and consultants used by the construction industry in the UK. It streamlines procurement processes, enhances credibility, and provides access to a network of potential clients. This certification is beneficial for SMEs in the construction sector looking to simplify procurement and demonstrate their qualifications.
- **CHAS (Contractors health and safety assessment scheme)**: CHAS assesses health and safety compliance, ensuring contractors meet required standards. It demonstrates commitment to health and safety, improves marketability, and is often a prerequisite for public sector contracts. This certification is relevant for SMEs in construction, maintenance, and related fields.
- **FSC (Forest stewardship council) certification**: FSC certification ensures that products come from responsibly managed forests that provide environmental, social, and economic benefits. It demonstrates commitment to sustainability, enhances marketability, and ensures compliance with environmental standards. This certification is relevant for SMEs in industries such as timber, paper, and furniture.
- **SOC 2 (service organisation control 2) certification**: Frequently required in the technology and cloud computing sectors, SOC 2 certification ensures a company's data security policies align with industry best practices. It is a key factor in private-sector procurement decisions, particularly for service providers handling customer data.
- **Corporate supplier certification programmes**: Many large corporations require suppliers to meet specific standards. Examples include:
    - **Intel's Supplier Continuous Quality Improvement (SCQI) Programme**: Ensures quality and innovation in supplier engagements. Suppliers are evaluated on their ability to meet Intel's stringent quality and performance standards.
- **Environmental and sustainability certifications**: As sustainability becomes a critical factor in procurement, certain certifications are highly valued:

    - **BREEAM (Building Research Establishment Environmental Assessment Method) Certification**: Recognised for assessing the sustainability of buildings and infrastructure projects. BREE
- **Supplier diversity certifications**: Many private-sector companies prioritise diversity in their supply chains, making these certifications advantageous:
    - **MSDUK (Minority Supplier Development UK):** It is the UK's leading non-profit organization focused on advancing diverse and ethnic minority-owned businesses and plays a key role in promoting supplier diversity in British and European supply chains.
    - **WEConnect International:** Certifies women-owned businesses and is recognised by global corporations, including in the UK.

To further support procurement practitioners in implementing new regimes, the **Transforming Public Procurement Learning Manual**[9] has been developed and introduced by the UK Cabinet Office supporting the implementation of the **Procurement Act 2023**[10], which replaces EU-based procurement rules with a simplified, more flexible UK system. These modules are aimed at operational procurement staff, including those responsible for running tenders, letting contracts, and managing suppliers or contracts, covering key aspects of the new procurement reforms, such as regulation changes, transparency requirements, and competitive flexible procedures. Upon successful completion of the course, learners receive a certificate and an e-badge for email signatures, demonstrating their attainment at Practitioner level. The e-badge can be manually downloaded from the **GCC website.**

2.4 Intellectual property (IP) protection

IP protection is a crucial consideration for EU SMEs and start-ups looking to engage in UK innovation procurement. Whether bidding for public sector contracts or entering private-sector partnerships, understanding how IP is regulated[11] and protected under UK law is essential to safeguarding proprietary technology and maintaining competitive advantage. The UK Intellectual Property Office's **IP for a Creative and Innovative UK Strategy 2024 to 2027** outlines a commitment to modernise IP services, support innovation through evidence-based policy, and enhance accessibility for creators and businesses, particularly SMEs, to drive economic growth[12].

2.4.1 How EU SMEs and start-ups fall under UK IP regulations

EU businesses involved in the UK market—either by entering into procurement agreements with UK entities such as government agencies or corporations, or by participating in **UK-based funding programmes**—are required to adhere to UK IP laws. This means that any EU company conducting business in the UK falls under the jurisdiction of UK regulations[13]. In such cases, IP rights are governed by the terms of the specific contract and the applicable UK laws, superseding the protections offered by EU regulations.

One of the most critical aspects of IP rights for EU businesses engaging in the UK market is the **contractual agreements** they enter into. Whether negotiating with UK government agencies or private corporations, EU SMEs and start-ups must carefully negotiate the terms surrounding IP ownership, licensing, and usage rights[14]. These agreements will often dictate the extent of the IP protections afforded to the EU company, and they may be required to adjust their approach to retain control over their innovations. For instance, IP ownership and the terms of any potential licensing arrangements are usually subject to the negotiated contract, potentially granting UK entities certain rights over the EU company's IP[15].

[9] Cabinet Office. (2025, January 29). *Update on the official learning and development offer for contracting authorities*. GOV.UK. Retrieved July 9, 2025, from https://www.gov.uk/government/publications/update-on-the-official-learning-and-development-offer-for-contracting-authorities/ld-offer-update

[10] Government Commercial Function. (2024, April 22). *The Official Procurement Act 2023 learning modules*. GOV.UK. Retrieved July 9, 2025, from https://www.gov.uk/government/publications/the-official-procurement-act-2023-e-learning

[11] UK Intellectual Property Office. (n.d.). *Intellectual property: An overview*. GOV.UK. Retrieved July 9, 2025, from https://www.gov.uk/intellectual-property-an-overview

[12] Intellectual Property Office. (2024, May 2). *IP for a creative and innovative UK strategy 2024 to 2027*. GOV.UK. Retrieved July 9, 2025, from https://www.gov.uk/government/news/ip-for-a-creative-and-innovative-uk-strategy-2024-to-2027

[13] Intellectual Property Office. (2024, May 2). *IP for a creative and innovative UK strategy 2024 to 2027*. GOV.UK. Retrieved July 9, 2025, from https://www.gov.uk/government/news/ip-for-a-creative-and-innovative-uk-strategy-2024-to-2027

[14] Intellectual Property Office. (2025, May 15). *Certainty for businesses and choice for consumers as UK maintains IP rights regime*. GOV.UK. Retrieved July 9, 2025, from https://www.gov.uk/government/news/certainty-for-businesses-and-choice-for-consumers-as-uk-maintains-ip-rights-regime

[15] Digital, Data and Technology Profession. (2023, June 20). *Intellectual property rights guidance note*. GOV.UK. Retrieved July 9, 2025, from https://www.gov.uk/government/publications/the-digital-data-and-technology-playbook/intellectual-property-rights-guidance-note-html

The UK follows a **first-to-file system** for patent applications[16], in line with international standards such as those set by the **European Patent Convention (EPC).** This means that patent rights are awarded to the first person to file a patent application with the **UK Intellectual Property Office (UK IPO)**, rather than the first to conceive the invention. As such, the date of filing is crucial, and inventors are encouraged to submit their applications promptly to secure legal protection.

In assessing patentability, the UK applies a broad definition of prior art. Any disclosure that makes an invention available to the public before the filing or priority date—whether through public use, sales, publications, or online content anywhere in the world—can undermine the novelty of a patent application[17]. Consequently, early filing and careful management of public disclosures are essential to maintaining patent eligibility.

Businesses looking to commercialise innovative technologies in the UK, particularly those involving dual-use or defence-related technologies, must also be aware of the UK's export control regulations. These are governed by laws such as the **Export Control Order 2008**, which regulates the transfer of certain goods, software, and technology, including digital and intangible exports[18]. These controls can apply even to the sharing of information with overseas partners or employees, depending on the nature of the technology.

For SMEs and start-ups working in sensitive sectors, compliance with UK export controls requires thorough planning. Failure to adhere to these rules can lead to serious legal and financial penalties, as well as limitations on future business opportunities and collaborations. It is essential to file patent applications early, manage public disclosures carefully, ensure compliance with export control laws to protect their innovations and maintain market access, and seek professional guidance when working with controlled or high-risk technologies[19].

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2.4.2 IP protection in public sector procurement

IP protection in the UK public sector is governed by various laws and regulations designed to safeguard innovations and proprietary information[20]. Public sector organisations, including government departments and agencies, must adhere to regulations such as the **Procurement Act 2023**, which ensure transparency, fairness, and competition in public procurement, including the handling of IP rights. UK SMEs and start-ups participating in public procurement must adhere to these regulations.

Under UK government funding schemes, such as **Innovate UK** grants, the government retains certain rights to use the innovation[21]. Innovations developed under government-funded contracts may be subject to "march-in rights", allowing the government to use or license the technology to third parties if the contractor does not commercialise it effectively[22]. UK companies awarded government contracts are required to disclose inventions to the government and ensure they file for patent protection within a specified timeframe[23].

The UK government may claim "unlimited rights" over innovations developed entirely with government funding, while

[16] Intellectual Property Office. (n.d.). *Apply for a patent*. GOV.UK. Retrieved July 9, 2025, from https://www.gov.uk/patent-your-invention

[17] Intellectual Property Office. (2024, October 9). *The Patents Act 1977 (as amended) – Section 2: Novelty*. GOV.UK. Retrieved July 9, 2025, from https://www.gov.uk/guidance/the-patent-act-1977/section-2-novelty

[18] Export Control Joint Unit & Department for Business and Trade. (2025, July 7). *Export controls: Dual-use items, software and technology, goods for torture and radioactive sources*. GOV.UK. Retrieved July 9, 2025, from https://www.gov.uk/guidance/export-controls-dual-use-items-software-and-technology-goods-for-torture-and-radioactive-sources

[19] Dereskeviciute, R., Rabitti, L., & Chajdukowski, M. (2024, June 20). *How the United Kingdom approaches export controls*. Global Investigations Review. Retrieved July 9, 2025, from https://globalinvestigationsreview.com/guide/the-guide-sanctions/sixth-edition/article/how-the-united-kingdom-approaches-export-controls

[20] Digital Data and Technology Profession. (2023). *Intellectual property rights guidance note* [Guidance note]. Cabinet Office. https://www.gov.uk/government/publications/the-digital-data-and-technology-playbook/intellectual-property-rights-guidance-note-html

[21] UK Research and Innovation. (n.d.). Contracts for Innovation. UK Research and Innovation. Retrieved July 9, 2025, from https://www.ukri.org/what-we-do/browse-our-areas-of-investment-and-support/innovate-uk-contracts-for-innovation/

[22] Digital Data and Technology Profession. (2023). *Intellectual property rights guidance note* [Guidance note]. Cabinet Office. https://www.gov.uk/government/publications/the-digital-data-and-technology-playbook/intellectual-property-rights-guidance-note-html

[23] UK Research and Innovation. (2025, February 25). *Terms and conditions of an Innovate UK grant award*. UK Research and Innovation. https://www.ukri.org/publications/terms-and-conditions-of-an-innovate-uk-grant-award/

"limited rights" apply when the contractor contributes private investment[24]. To safeguard trade secrets, UK SMEs should utilise restrictive data rights clauses to prevent excessive disclosure of proprietary information. Furthermore, the **Trade Secrets (Enforcement, etc.) Regulations 2018** provide additional legal protections, reinforcing safeguards for businesses engaged in UK government procurement contracts. The UK government has specific policies regarding IP management and protection, ensuring that IP created through public funding is properly managed and utilised. Additional resources such as the **UK Intellectual Property Office (UK IPO)** and the **EPC** provide comprehensive guidance on IP rights and protection.

2.4.3 IP protection in private sector procurement

In private sector procurement, IP protection is principally governed by **contractual agreements**. SMEs based in the UK must negotiate favourable terms when entering into agreements with corporations. Ownership and licensing agreements represent critical components of these negotiations. Numerous large corporations insist upon ownership of any IP developed under supplier contracts. It is therefore essential for UK businesses to retain licensing rights or establish non-exclusive arrangements, thereby ensuring continued control over their proprietary technologies[25].

Non-disclosure agreements (NDAs) must be carefully crafted to comply with UK legal requirements, safeguarding against the unauthorised use or disclosure of proprietary information. Adherence to the relevant legal frameworks, such as those outlined by the **UK IPO**, will help prevent disputes and mitigate risks associated with the misappropriation of IP.

Special attention must be given to work-for-hire clauses. Such provisions often stipulate that IP ownership automatically transfers to the contracting company unless explicitly negotiated otherwise. SMEs from the UK should remain diligent in reviewing contractual terms to prevent unintended transfers of ownership. Securing patent protection in the UK necessitates filing with the **UK IPO**. UK businesses must be mindful of the differences in grace periods between UK and European patent regimes, as failure to align with these variations may jeopardise patent rights[26]. The **Trade Secrets (Enforcement, etc.) Regulations 2018** provide a standard framework for the protection of trade secrets, complemented by the UK government's IP policies, which enable enforcement at the national level. These legal instruments are vital in safeguarding confidential business information.

Many corporations incorporate IP compliance requirements within their procurement processes. As such, UK businesses seeking to engage as suppliers must ensure adherence to these corporate IP policies to secure and maintain commercial partnerships within the market. By following these guidelines and leveraging resources such as the **UK IPO** and the **Trade Secrets Regulations**, businesses can effectively protect their IP in private sector procurement.

2.4.4 Key recommendations

To ensure effective IP protection when participating in innovation procurement within the UK, EU SMEs and start-ups should adopt a strategic approach. It is essential to **seek legal counsel** at an early stage by engaging experienced UK legal professionals who can provide guidance on federal procurement regulations, contract negotiations, and the intricacies of UK patent law. Obtaining legal advice at the outset will enable businesses to navigate complex legal frameworks and safeguard their IP effectively.

Prior to entering negotiations with UK government agencies or private corporations, EU SMEs should **secure patent protection** in the UK Filing for a UK patent at an early stage ensures that innovations are legally protected and mitigates the risk of unauthorised use or infringement.

During contract negotiations, it is crucial to establish robust contractual terms that prioritise the **retention of IP ownership** wherever possible. Licensing agreements should be carefully structured to preserve the rights of the

[24] Ibid

[25] Sutherland, T. (2024, June 26). *Legal tips on intellectual property management for corporations*. LegalVision UK. https://legalvision.co.uk/intellectual-property/intellectual-property-management/#:~:text=Securing%20IP%20rights%20in%20contracts,to%20avoid%20misunderstandings%20or%20disputes.

[26] European Patent Office. (2023, March 1). *Guidelines for Examination in the European Patent Office*. European Patent Office. https://www.epo.org/en/legal/guidelines-epc/2023/index.html

innovator, while NDAs and restricted data rights clauses should be employed to safeguard trade secrets and proprietary information.

Compliance with UK regulations is another critical aspect of IP protection. EU businesses must familiarise themselves with relevant export control laws, cybersecurity requirements, and data protection regulations that could impact their IP. A thorough understanding of these legal frameworks will help mitigate potential risks and ensure adherence to regulatory obligations.

Furthermore, EU SMEs may utilise the **European IP Helpdesk**, a first-line IP service providing free-of-charge support to assist European SMEs of EU-funded research projects in managing their IP in the context of transnational business or EU research and innovation programmes. This platform offers practical guidance on IP matters, and those with specific IP-related queries may submit their questions through their **website**. By adopting these measures, EU SMEs and start-ups can enhance their ability to protect their IP while successfully engaging in innovation procurement within the UK

3. Who are the key buyers, suppliers and potential partners in the UK?

Identifying and understanding the key buyers in the UK is crucial for businesses aiming to target the most relevant procurement opportunities. The market is primarily divided into public-sector buyers and private-sector buyers, each offering distinct opportunities and requirements.

3.1 Public sector buyers

In the UK, public sector procurement encompasses a diverse array of government entities at the national, regional, and local levels, each responsible for acquiring goods, services, and works to fulfill specific needs in sectors such as defence, healthcare, infrastructure, and security and justice. Key procuring bodies include the **Ministry of Defence (MoD)**, which sources a wide range of equipment and services; the **National Health Service (NHS)**, overseeing healthcare-related procurements; and the **Department of Science, Innovation & Technology** which has outlined a strategic allocation plan for its £13,9 billion research and development (R&D) budget for 2025–2026, aiming to strengthen the UK's R&D system, attract top research talent, leverage increased private sector investment, and support regional development across the UK[27].

Public procurement is a significant component of the UK's economy, with the government spending over £350 billion annually on goods, works, and services from businesses and charities, accounting for nearly a third of all public expenditure[28]. This spending plays a crucial role in delivering public services, national security, and infrastructure projects. Central government departments, local authorities, and other public sector bodies contribute to this expenditure, underscoring the public sector's pivotal role in driving economic activity and innovation across the country.

Here below is an overview of some of the **public buyers** in the UK

Table 1: Key Public buyers in the UK

Public buyer name	Description
Department of Defence (MoD)	The MOD is the UK's largest public sector procurer, spending £37.6 billion in 2023/24 on defence equipment, services, and infrastructure. It procures a wide range of goods and services, including advanced military technologies, cybersecurity

[27] Department for Science, Innovation and Technology. (2025, April 4). *DSIT research and development (R&D) allocations for 2025/2026*. GOV.UK. Retrieved August 11, 2025, from https://www.gov.uk/government/publications/dsit-research-and-development-rd-allocations-for-20252026

[28] Institute for Government. (2024, September). Improving accountability in government procurement. Retrieved from https://www.instituteforgovernment.org.uk/sites/default/files/2024-09/Improving-accountability-government-procurement_0.pdf

Public buyer name	Description
	solutions, and logistics support. The MOD engages with various suppliers, including SMEs, through platforms like the Defence Sourcing Portal[29].
National Health Service (NHS)	The NHS is a major buyer of healthcare-related goods and services, spending £8 billion including medical equipment, pharmaceuticals, and digital health technologies. It focuses on areas such as digital transformation, sustainability, and workforce solutions. The NHS collaborates with procurement partners like the Crown Commercial Service (CCS) to streamline purchasing processes and achieve value for money[30].
Crown Commercial Service (CCS)	CCS acts as the UK's central procurement authority, managing national framework agreements and offering public sector organisations access to pre-approved suppliers, channeling through their commercial agreements spendings of £30.3 billion. It plays a pivotal role in delivering better value across government departments and ensuring compliance with procurement policy[31]. CCS supports various sectors, including health, technology, and construction.
Department for Business and Trade (DBT)	DBT focuses on promoting economic growth and innovation across the UK. It supports businesses through various initiatives, including funding for research and development, and works to create a competitive business environment, spending n 2023–24, of £790.9 million on business grants, with significant allocations to advanced manufacturing (£493.2 million), energy (£236.3 million), and pan-sectoral support (£50.4 million). DBT collaborates with other departments and agencies to drive innovation in areas like clean energy and digital technologies[3233].
Department for Transport (DfT)	DfT is responsible for the UK's transportation infrastructure, including roads, railways, and public transit systems. It invests in projects aimed at improving safety, efficiency, and modernisation of transportation. DfT's procurement activities support the development of smart transportation systems and autonomous vehicle technologies.
Local Authorities	Local governments across the UK are significant buyers for urban development, public safety, education, and health systems. Each local authority has distinct procurement needs and processes, contributing substantially to the overall public sector procurement landscape.
Department for Education (DfE)	DfE oversees procurement related to educational services and infrastructure, including school construction, educational materials, and digital learning platforms. It plays a crucial role in ensuring value for money in the education sector.
Home Office	The Home Office is responsible for procurement in areas such as policing, border security, and emergency services. It manages contracts related to law enforcement technologies, surveillance systems, and public safety initiatives.
Ministry of Justice (MoJ)	MoJ handles procurement for the justice system, including court services, prison management, and legal aid services. It focuses on contracts that support the administration of justice and rehabilitation services.

[29] Ministry of Defence. (2024, October 3). *MOD trade, industry and contracts: 2024*. GOV.UK. https://www.gov.uk/government/statistics/mod-trade-industry-and-contracts-2024

[30] House of Commons Committee of Public Accounts. (2024, March 27). *NHS Supply Chain and efficiencies in procurement* (HC 453). UK Parliament. https://publications.parliament.uk/pa/cm5804/cmselect/cmpubacc/453/report.html

[31] Crown Commercial Service. (2024, July 24). *CCS annual report and accounts 2023 to 2024: Accessible version*. UK Government. https://www.gov.uk/government/publications/crown-commercial-service-annual-report-and-accounts-2023-to-2024/ccs-annual-report-and-accounts-2023-to-2024-accessible-version

[32] National Audit Office. (2025, March 12). *Supporting the UK's priority industry sectors* (Report HC 744). https://www.nao.org.uk/wp-content/uploads/2025/03/supporting-the-uks-priority-industry-sectors.pdf

[33] Dunton, J. (2025, March 12). DBT's support for industry has 'weaknesses', NAO finds. *Civil Service World*. https://www.civilserviceworld.com/news/article/dbts-support-for-industry-has-weaknesses-report-finds

3.2 Private sector buyers

Here are some of the largest **private sector companies** in the UK that play a major role in innovation procurement, leveraging advanced technology and strategic sourcing to drive efficiency, cost savings, and innovation across industries.

Table 2: Examples of Private buyers in the UK

Private buyer's name	Description
Tesco	As one of the largest retailers in the UK, Tesco uses innovation procurement to improve its supply chain management, enhance customer experience, and implement cutting-edge technology such as automation and AI for inventory and logistics.
Rolls-Royce	Rolls-Royce is at the forefront of innovation procurement, sourcing cutting-edge technologies to build its aerospace and energy solutions. They frequently procure AI, advanced manufacturing technologies, and autonomous systems.
BT Group	BT Group is known for its strong emphasis on innovation, procuring the latest in telecommunications hardware, software, and cutting-edge network technologies to maintain its competitive edge in the telecom market.
Unilever	Unilever procures advanced technologies, particularly in AI, sustainable packaging, and data analytics, to support its vast infrastructure, product development, and sustainability initiatives.
AstraZeneca	AstraZeneca is an active buyer of innovative technologies, particularly around AI, biotechnology, and pharmaceutical research, which are essential for its product and service development.
BAE Systems	BAE Systems actively engages in procurement of innovative solutions to modernise its defence manufacturing processes, particularly in digital industrial technologies, AI, and automation systems.
ARM Holdings	As a major player in the semiconductor industry, ARM Holdings procures innovative technologies related to AI, IoT, and advanced manufacturing processes to maintain its leadership in the tech space.
BP	BP is a significant buyer of innovation in energy technologies, including advanced AI, autonomous systems, and green technologies for its energy production and sustainability operations.
Shell	Shell invests heavily in procuring innovative solutions for energy production, focusing on green technology, energy efficiency, and carbon capture solutions.
JCB	JCB procures advanced technologies to improve its heavy machinery, including automation, robotics, and telematics to enhance operational efficiency and sustainability in its manufacturing process.
GlaxoSmithKline (GSK)	GSK procures innovative healthcare technologies to advance medical devices, pharmaceuticals, and consumer health products. They focus on AI, biotechnology, and medical robotics.
British Airways	British Airways focuses on innovation procurement in aerospace technologies, including materials science, AI-driven manufacturing, and autonomous systems for both defence and commercial products.
Sage Group	Sage Group is heavily involved in procuring innovative solutions in AI, cloud computing, and blockchain to enhance its enterprise offerings and business solutions for clients worldwide.
Jaguar Land Rover	Jaguar Land Rover procures innovative automotive technologies, especially in the areas of electric vehicle manufacturing, AI, autonomous driving, and advanced safety systems.
Reckitt Benckiser	Reckitt Benckiser is a leading innovator in consumer goods procurement, focusing on sustainable packaging, AI in marketing, and digital solutions in product development and customer service.

Private buyer's name	Description
Vodafone	Vodafone procures advanced AI and AR/VR technologies to enhance its telecommunications platforms and develop innovative digital solutions.

3.3 Key suppliers

In the UK innovation procurement market, there are both local and international suppliers that provide advanced technologies and solutions. Local suppliers, such as **BT Group, ARM Holdings**, **Sage Group**, are based in the UK and lead the market in areas like AI, cloud computing, and industrial technologies. On the other hand, international suppliers like Siemens and SAP are headquartered outside the UK but have a strong presence in the country, offering innovative solutions and competing with local firms. These international suppliers bring global expertise and advanced technologies, making them key players in the UK market.

3.4 Soft-landing and ecosystem support

Soft-landing programmes provide a smooth transition for EU SMEs and start-ups into the UK market by offering logistical, legal, and business development support. Many UK cities have incubators and accelerators that help foreign start-ups by providing office space, mentorship, and access to UK business networks. Programmes like **Innovation Accelerator Programme** from **UK Research and Innovation** Department, **TechUK's Technology and Innovation Programme**, **Seedcamp**, **Tech Nation**, and the **London Co-Investment Fund** help companies with everything from initial market entry to scaling operations. In addition, several companies, including Google and Microsoft, offer programmes designed to fund the development of MVP (Minimum Viable Product) solutions, particularly for small businesses.

Soft-landing programmes assist with understanding UK market regulations, procurement processes, and compliance requirements. They help businesses prepare for both public and private sector procurement, including navigating national and local-level regulations. These programmes create networking opportunities, thus connecting EU SMEs to potential UK partners, investors, and clients. They offer events, conferences, mentorships, and introductions to business leaders and decision-makers in both the private and public sectors.

Ecosystem support refers to the network of resources and services that EU SMEs and start-ups can tap into to enhance their innovation procurement efforts in the UK:

- **Government and private sector support:** Various UK government agencies, including the **Department for Business and Trade (DBT)** and Innovate UK, offer programmes aimed at assisting foreign businesses with procurement opportunities. Private sector organisations like the **Confederation of British Industry (CBI)** and the **Federation of Small Businesses (FSB)** also offer support to help businesses connect with the right procurement opportunities.
- **Funding and grants:** There are many opportunities for EU companies to access funding, especially for innovation-driven procurement. For instance, **Innovate UK** provides government funding to small businesses involved in research and development. These programmes encourage innovation and commercialisation of technology.
- **Procurement training:** Some UK organisations offer training programmes to help international companies understand the procurement process. These trainings can focus on everything from how to submit bids to how to navigate national, regional, or local procurement systems. Many UK regions also offer trainings for interested businesses, in which those who are interested may find more information on the individual region or city's websites. The **British Chambers of Commerce (BCC)** and other similar institutions provide workshops tailored to helping foreign companies succeed in UK procurement.

For EU SMEs and start-ups looking to expand into the UK market, several soft-landing programmes and ecosystem support initiatives are available. These programmes help businesses navigate the complexities of market entry, establish valuable connections, and access procurement opportunities. Here are some key examples:

- **Enterprise Europe Network (EEN)**: EEN helps EU businesses internationalise by connecting them with UK companies, offering access to both public and private procurement opportunities, and guiding them through UK regulations and market dynamics.

- **ScaleUp Europe**: This initiative is designed to assist European start-ups in scaling internationally. It focuses on UK market entry, helping businesses build relationships with UK investors, companies, and government agencies, ensuring they are well-equipped to succeed.
- **Eureka network**: The Eureka Network fosters collaboration between European and UK companies to drive innovation and procurement opportunities. It provides SMEs with access to UK R&D funding and procurement contracts, enabling them to expand their footprint in the UK market.
- **EIC soft-landing programme**: It is a business acceleration service that provides customised guidance and the adequate tools for EIC awardees who have launched and gained traction abroad and want to expand to a new market since 2024.

3.5 European companies: success stories in the UK

As an EU SME or start-up looking to expand your business and tap into the vast UK market, understanding how to navigate both public and private procurement opportunities can be a game-changer. The UK offers immense potential, with a thriving innovation ecosystem that actively seeks cutting-edge solutions across various industries. Many European businesses have already made successful inroads into the UK market by leveraging procurement opportunities, building strategic partnerships, and offering innovative products and services.

To inspire and guide you in your journey, we've compiled a list of successful EU SMEs and start-ups that have effectively accessed UK procurement opportunities. These success stories showcase how companies from various sectors—ranging from cybersecurity and fintech to renewable energy and smart cities—have overcome barriers and made a significant impact in both the public and private sectors. By learning from these examples, you can gain insights into how to position your business for success and explore the numerous opportunities available in the UK procurement landscape.

Company	Country	Sector	Success story
Webio	Ireland	Conversational AI	Expanded operations to Birmingham, UK, offering AI-driven customer engagement solutions, and establishing a strong presence in the UK market.
Masternaut UK Ltd	France	Telematics	Established a UK presence offering fleet management and vehicle tracking services, growing rapidly and eventually being acquired by Michelin.
Lapelland Finland Oy	Finland	Sustainable Construction	Exported mobile outdoor saunas to the UK, introducing Finnish sauna culture to British consumers.
Radius Machining	Estonia	Precision Engineering	Expanded operations to the UK, supplying high-precision components to British manufacturing firms.
Žatec Hops Co-operative	Czechia	Agrofood	Supplied high-quality hops to UK breweries, strengthening trade ties in the beverage industry.
Invitalia (Molise Region)	Italy	Business Services	Implemented the Temporary Export Manager scheme, assisting Italian SMEs in establishing a presence in the UK market.
Froneri	France/UK	Food Processing	Formed as a joint venture between Nestlé and PAI Partners, Froneri became a leading ice cream manufacturer in the UK, operating major production sites and supplying to UK supermarkets.

4. How do I explore public and private tender opportunities?

To find public and private innovation procurement tenders in the UK, there are several methods you can use, depending on whether you're looking for government (public) or private sector opportunities.

4.1 Public tenders

Public sector tenders in the UK are primarily issued by government agencies, and there are established platforms and methods to access these opportunities.

- **Central Digital Platform:** This is the primary platform for UK government procurement opportunities. Central Digital Platform is the new **unified platform** created under the **Procurement Act 2023**, which takes full effect in October 2025. Once the new central digital platform (CDP) is fully operational, companies can create their supplier account. This registration is essential for accessing tender opportunities and submitting bids. Company should ensure that their profile is complete, accurate, and up to date.
- **Find a Tender Service (FTS):** This service is used to publish public sector procurement notices for contracts above certain thresholds. It replaced the EU's Tenders Electronic Daily (TED) for UK public sector procurement following Brexit. You can search for tenders related to innovation and technology on this platform**.** This platform operates until mid-2025 and will replaced by Central Digital Platform from October 2025.
- **Local government portals:** Each UK local authority has its own procurement website where they list tenders and RFPs. These websites often focus on regional projects, including innovation tenders for local infrastructure, tech development, and more. You can search by specific local authority procurement sites. For example, London has the London Tenders Portal, and Manchester has the Manchester City Council Procurement Portal.
- **Innovate UK**: Innovate UK is the UK's innovation agency, offering funding and support for innovative projects. They provide grants and contracts for innovative research, particularly in areas like defence, healthcare, and technology.
- **Government conferences and networking events:** Attending government-hosted procurement events and industry-specific conferences is an excellent way to learn about upcoming tenders. These events often provide information about the government's innovation needs and upcoming projects, where tenders may be announced.

4.2 Private tenders

Private sector tenders in the UK are issued by businesses and corporations looking for innovative solutions to enhance their operations. These opportunities can be harder to find due to less public transparency, but there are still platforms and networks where they are advertised.

- **Supply2Gov:** This platform aggregates public and private sector tenders. Although it includes some government contracts, it also lists RFPs and procurement opportunities from private businesses across various industries. You can filter your search to focus on private-sector innovation-related tenders.
- **Tenders Direct:** This service offers insights into both government and private sector procurement opportunities. It focuses on technology, innovation, and research, helping businesses find tenders in sectors like IT, defence, and healthcare.
- **B2B platforms** (e.g., **Supply Chain Connect**): Platforms like Supply Chain Connect are excellent resources for businesses seeking private sector tenders. They list RFPs and innovation needs from a wide range of industries, including manufacturing, technology, and services. You can search for tenders by sector and innovation focus.
- **Industry-specific innovation hubs and accelerators**: Many sectors have innovation hubs, accelerators, or incubators where private companies post RFPs for new technologies or innovative solutions. For example, accelerators like **Tech Nation** or **Seedcamp** focus on startup innovations and often list tenders from private businesses in the tech space. Websites like Tech Nation and Seedcamp often feature private-sector innovation challenges and opportunities.
- **Private company websites**: Many large companies issue RFPs directly on their websites for specific innovation needs, such as software development, AI solutions, or new manufacturing technologies. If you're targeting specific businesses, you can regularly check their procurement or "suppliers" section for new tenders.
- **Networking and industry events**: Just like in the public sector, private companies often announce procurement opportunities during industry events or conferences. These events are an excellent way to meet potential clients and learn about new tenders for innovation projects. Many tech and business conferences (e.g., London Tech Week, Innovate UK events) often host private-sector procurement and partnership opportunities. In addition to these events, the **Enterprise Europe Network (EEN)** is an excellent opportunity for companies looking to expand their commercialisation strategy in both European and international markets.

5. How do I apply for public and private tenders?

This section provides a structured guide for businesses seeking to participate UK's public and private tender processes, outlining the key steps, requirements, and strategies for successful application.

5.1 Public tenders

Step 1: Find opportunities

- **National:** Search for tenders on Central Digital Platform (contracts), Find a Tender Service (FTS) (above-threshold contracts), and Innovate UK (innovation challenges). Agencies like the **Ministry of Defence** (MoD), NHS, and Department for Business, Energy & Industrial Strategy (BEIS) also post specific innovation tenders.
- **Local:** Check local authority procurement websites (e.g., London Tenders Portal, Manchester City Council Procurement Portal). Some regions use frameworks like Crown Commercial Service (CCS) for cooperative purchasing.

Utilise the alert systems and regularly monitor key portals, such as CDP and regional platforms like Sell2Wales, to identify suitable tender opportunities. Develop effective search strategies using relevant keywords and filters to target opportunities aligned with your company's capabilities and expertise. Carefully review all tender documents, paying close attention to the specification, selection/award criteria, and submission rules. Fully understand the requirements, evaluation criteria, and deadlines to ensure your bid is compliant and competitive.

Step 2: Check eligibility

- **National**: Some contracts allow foreign applicants, while others require a UK partner or subsidiary. Innovation programmes like Innovate UK often require UK business participation.
- **Local**: Rules vary—some local authorities allow direct foreign participation, while others require a local business registration or partnership.

Step 3: Register your business

- **National:** Once the new central digital platform (CDP) is fully operational, create a supplier account. This registration is essential for accessing tender opportunities and submitting bids. Ensure your company profile is complete, accurate, and up to date.
- **Local:** Many local authorities require vendors to register with their procurement system or obtain a business license.

Step 4: Identification of the procurement method

- Institutions will procure goods and services through a variety of methods. The formal request processes may include, but are not limited to, the following:
    - Invitation to Tender (ITT);
    - Request for Qualifications (RFQ);
    - Request for Bid (RFB);
    - Request for Proposal (RFP);
    - Request for Information (RFI).

Step 5: Prepare & submit a proposal[34]

- Follow the tender's guidelines for technical, financial, and compliance sections.
- Ensure your proposal meets innovation-specific requirements.

[34] A useful tip when presenting your procurement offer is to always consider that the evaluation criteria may include, in no particular order of preference, factors such as the proposed rates, estimates, and pricing. The tenderer's expertise in providing similar products will also be assessed, alongside their health and safety performance. The use of local subcontractors by the tenderer is another important consideration, as well as their ability to meet any required dates specified for deliverables. Additionally, experience in projects similar to the one being tendered for, as well as the management and execution protocols for the delivery of goods, will be evaluated. Furthermore, the management systems and project controls that the tenderer intends to utilise for providing equipment or materials will also be taken into account.

- Consider UK legal or procurement consulting for compliance.
- Develop a comprehensive bid that clearly articulates your understanding of the tender requirements and demonstrates your ability to deliver a high-quality solution.
- Your bid should, depending on the requirements, include a detailed technical proposal, a competitive pricing strategy, a compelling social value proposition, evidence of past experience, and relevant certifications.

Step 6: Comply with UK regulations

- National: Follow UK procurement laws (Public Contracts Regulations 2015). Check export regulations if dealing with technology.
- Local: Compliance depends on local-specific laws but generally involves contract performance monitoring and reporting.
- Verify your eligibility under UK law and ensure you meet all legal and compliance requirements. Provide the necessary documentation to demonstrate your financial and technical standing, including financial statements and references.

5.2 Private tenders

Step 1: Search for tender opportunities

- Look for private innovation procurement opportunities that match your business sector. You can find these on platforms such as **Supply2Gov** and **Tenders Direct.** Additionally, explore industry-specific websites, tech forums, and innovation hubs that post tenders and requests for proposals (RFPs).
- **Company Websites:** Regularly visit the procurement or "suppliers" sections of large companies' websites for new tenders.
- **Networking Events:** Attend industry events and conferences such as London Tech Week and Innovate UK events to learn about new procurement opportunities.

Utilise the alert systems and regularly monitor key portals to identify suitable tender opportunities. Develop effective search strategies using relevant keywords and filters to target opportunities aligned with your company's capabilities and expertise. Carefully review all tender documents, paying close attention to the specification, selection/award criteria, and submission rules. Fully understand the requirements, evaluation criteria, and deadlines to ensure your bid is compliant and competitive

Step 2: Check eligibility

- Before applying, ensure you meet the eligibility criteria outlined in the tender. Some private procurement opportunities may have restrictions on foreign entities. Verify that the tender allows participation from UK SMEs/startups and check for any other specific requirements, such as a local presence or security clearance.

Step 3: Register your company

- **Private Sector Platforms**: Register your business on platforms like Supply2Gov and Tenders Direct to access tender opportunities. Ensure your business profile is complete and up-to-date.

Company-Specific Requirements: Follow the individual registration process of private companies. Obtain any necessary certifications or identifiers required for official procurement registration.

Step 4: Identification of the procurement method

- Institutions will procure goods and services through a variety of methods. The formal request processes may include, but are not limited to, the following:
    - Invitation to Tender (ITT);
    - Request for Qualifications (RFQ);
    - Request for Bid (RFB);
    - Request for Proposal (RFP);
    - Request for Information (RFI).

Step 5: Prepare your proposal

- Thoroughly review the tender documents and guidelines to fully understand the requirements. Your proposal should include a detailed description of your innovation, its technical feasibility, budget, timelines, and any

other requested information. Ensure you follow the formatting instructions carefully and provide all required documentation to increase the likelihood of your proposal being selected.

- Develop a comprehensive bid that clearly articulates your understanding of the tender requirements and demonstrates your ability to deliver a high-quality solution.
- Your bid should, depending on the requirements, include a detailed technical proposal, a competitive pricing strategy, a compelling social value proposition, evidence of past experience, and relevant certifications.

Step 6: Ensure compliance with UK laws

- Before submitting your proposal, verify that your business and technology comply with UK regulations, particularly data protection laws and industry-specific standards. Ensure adherence to relevant UK laws and regulations.
- Verify your eligibility under UK law and ensure you meet all legal and compliance requirements. Provide the necessary documentation to demonstrate your financial and technical standing, including financial statements and references.

Step 7: Consider partnering with UK companies

- If required or beneficial, you might consider forming a local partnership or entering into a teaming agreement with a UK-based company. This can help you navigate local requirements, increase your credibility, and provide additional resources to support your proposal.

Step 8: Submit your proposal[35]

- Submit your proposal in accordance with the tender instructions, ensuring you meet the deadline. Double-check that all required documents are included and confirm the submission. Retain a record of your submission confirmation for future reference and follow-up.

Step 9: Monitor and follow-up

- After submitting your proposal, monitor the status of your application. You may be asked to provide additional information, attend meetings, or make adjustments to your proposal. Stay proactive in communication and be prepared to respond to any requests for clarification or further negotiations.

Receive free procurement assistance in the UK thanks to the EIC Innovation Procurement programme powered by SPIN4EIC

The EIC Innovation Procurement Programme powered by SPIN4EIC presents an exciting, **free-of-charge opportunity** for European SMEs and Start-Ups backed by the European Innovation Council (EIC) to scale their businesses and access global markets.
Learn more about the EIC and how to become an EIC beneficiary **here**.

SMEs and Start-ups who are already supported by the EIC (or have received a Seal of Excellence or were supported by the SME Instrument) are strongly encouraged to apply for procurement assistance via the SPIN4EIC initiative. Seize this opportunity by answering this **Open Call for assistance**. The EIC Innovation Procurement Programme powered by SPIN4EIC provides invaluable support, including specialised training, networking, and matchmaking, alongside personalised assistance throughout the tendering process, from procurement strategy development to hands-on tender assistance and legal matters.

Check out the **SPIN4EIC web page** and do not hesitate to contact the SPIN4EIC team if you have any questions.

[35] A useful tip when presenting your procurement offer is to always consider that the evaluation criteria may include, in no particular order of preference, factors such as the proposed rates, estimates, and pricing. The tenderer's expertise in providing similar products will also be assessed, alongside their health and safety performance. The use of local subcontractors by the tenderer is another important consideration, as well as their ability to meet any required dates specified for deliverables. Additionally, experience in projects similar to the one being tendered for, as well as the management and execution protocols for the delivery of goods, will be evaluated. Furthermore, the management systems and project controls that the tenderer intends to utilise for providing equipment or materials will also be taken into account.

Annex 1: General information on the UK and its economy

As the sixth-largest economy in the world, the United Kingdom offers a wealth of business opportunities for international companies, with a GDP of over £3trillion in 2024[36]. For EU SMEs, the UK represents a dynamic and diverse market, characterised by strong consumer spending, technological innovation, and robust demand for high-quality goods and services. The government and private sectors provide significant procurement and partnership opportunities across industries such as technology, healthcare, clean energy, and manufacturing.

However, entering the UK market requires careful consideration of its regulatory landscape, competitive nature, and regional diversity. EU SMEs must adapt to varying regional laws, differing business practices, and cultural expectations. Understanding these factors is essential for accessing the short- and long-term potential of this highly rewarding yet competitive market.

The government

The United Kingdom is one of the countries that spends the most on public procurement in the world. In the 2023 fiscal year, the UK government allocated approximately £290 billion for public procurement contracts[37]. The UK currently has a population of around 67 million, with England being the most populated country, followed by Scotland[38]. The capital of the UK is London, which is not only the political capital but also the economic hub, hosting the headquarters of some of the country's most profitable companies such as Shell and BP[39].

When discussing public procurement, it is fundamental to understand the different levels of government that exist to understand the different types of public buyers.

The Government of the United Kingdom is the national government of the United Kingdom established in 1707. The UK government consists of three main branches of government: the legislative, executive, and judicial. The legislative branch is comprised of two houses; the House of Commons and the House of Lords, collectively forming the UK Parliament. As per the Constitution, Parliament has the sole power to enact legislation. There are 650 elected members in the House of Commons, representing constituencies across the UK[40]. The second chamber is the House of Lords, which has around 800 members, including life peers, bishops, and hereditary peers[41].

The Executive Branch is led by the Prime Minister who is the head of government. Their main role is to lead the government, make policy decisions, and represent the UK internationally. The Prime Minister is supported by the Cabinet, which consists of senior ministers responsible for various government departments[42].

Finally, the Judicial Branch allows for the implementation of the law and is led by the Supreme Court of the United Kingdom, whose principal function is to interpret constitutional and statutory law[43]. Additionally, there are various lower courts, including the Crown Courts, Magistrates' Courts, and County Courts, which handle different types of cases[44]. The

[36] Statista. (2024). The 20 countries with the largest gross domestic product (GDP) in 2024. Retrieved from https://www.statista.com/statistics/268173/countries-with-the-largest-gross-domestic-product-gdp/

[37] Public Procurement in the UK: 2023 Fiscal Year Overview. Retrieved from https://www.gov.uk/government/publications/public-procurement-in-the-uk-2023-fiscal-year-overview

38Office for National Statistics. (2023). Annual mid-year population estimates: Mid-2023. Retrieved from https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationesti

[39] CompaniesMarketCap. (n.d.). Largest companies in the UK by market cap. Retrieved from https://companiesmarketcap.com/united-kingdom/largest-companies-in-the-uk-by-market-cap/

[40] House of Commons - UK Parliament. (n.d.). Governance of the House of Commons. Retrieved from URL Governance of the House of Commons - UK Parliament

[41] House of Lords - UK Parliament. (n.d.). What does the House of Lords do?. Retrieved from URL What does the House of Lords do? - UK Parliament

[42] GOV.UK. (n.d.). Prime Minister. Retrieved from URL Prime Minister - GOV.UK

[43] UK Supreme Court. (n.d.). The Court and legal System. Retrieved from URL The Supreme Court of the United Kingdom

[44] Courts and Tribunals Judiciary. (n.d.). Structure of the Courts & Tribunals system. Retrieved from URL Structure of the Courts & Tribunals system - Courts and Tribunals Judiciary

national level usually deals with issues such as foreign policy, defence, and national security.

In the UK, the next level of government is the devolved administrations and local government. The UK consists of four countries: England, Scotland, Wales, and Northern Ireland, each with its own distinct government and varying degrees of legislative power[45]. The devolved administrations mirror the UK government, which includes all three branches of government and a constitution-like framework.

The devolved Executive is headed by the First Minister in Scotland and Wales, and the First Minister and deputy First Minister in Northern Ireland, who are directly elected by the people[46]. The devolved legislatures include the Scottish Parliament, the Senedd (Welsh Parliament), and the Northern Ireland Assembly, which are made up of elected representatives voting on regional issues[47]. The devolved administrations usually govern on issues such as education, health, environment, and transportation[48].

The UK also administers several territories, including the Crown Dependencies (the Isle of Man, Jersey, and Guernsey) and the British Overseas Territories (such as Gibraltar and Bermuda). These territories are not sovereign entities, and UK laws supersede the territory's law where applicable policies conflict[49].

Each country within the UK can establish local governments to support the implementation of its constitutional powers[50]. Local governments in the UK include two tiers (county councils and district councils in some areas, and unitary authorities in others). Across the UK, local government can take many different forms, with over 400 local government units[51]. Local councils are the biggest type of local democracy, with Birmingham City Council being one of the largest by population[52] These councils can also be divided into smaller units that usually address parks, libraries, police departments, and more. The key difference between devolved/federal government and local government is that powers need to be granted by the devolved administrations[53].

The economy & main sectors

The UK government presents a wide range of information regarding its economy, as shown in the below industries.

In the UK, **healthcare** is one of the most lucrative and important sectors for its economy, estimated to generate up to £115 billion in 2024, encompassing hospitals, pharmacies, and insurance companies[54]. Some of the biggest companies include Bupa, NHS, and GlaxoSmithKline[55]. From the years 2006 until 2016, when all other sectors in the UK were greatly suffering due to the financial crash in 2007 and 2008, the healthcare sector remained strong, growing significantly more than all other sectors. Additionally, from 2016 to 2026 the projection is that it will have grown at roughly 5% per year[56]. Currently over 2.5 million people are employed by the healthcare industry in the UK, accentuating its importance across the country. Within healthcare, the UK is a significant pharmaceuticals market in the world, known for its pharmaceuticals sector with companies such as AstraZeneca and GlaxoSmithKline. In 2021, the UK market's annual turnover was roughly £50 billion. The sector also employs up to 73,000 people across over 1,300 pharmaceutical companies. Overall, the

[45] GOV.UK. (n.d.). Devolution of powers to Scotland, Wales, and Northern Ireland. Retrieved from https://www.gov.uk/guidance/devolution-of-powers-to-scotland-wales-and-northern-ireland

[46] Scottish Government. (n.d.). First Minister. Retrieved from https://www.gov.scot/about/who-runs-government/first-minister/

[47] GOV.UK. (n.d.). Devolution of powers to Scotland, Wales, and Northern Ireland. Retrieved from https://www.gov.uk/guidance/devolution-of-powers-to-scotland-wales-and-northern-ireland

[48] Ministry of Justice. (2018). Working together: A concordat between the Ministry of Justice and the Welsh Government. Retrieved from https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/719350/moj-wg-concordat.pdf

[49] GOV.UK. (n.d.). Statutory review of the implementation of the exchange of notes on beneficial ownership between the United Kingdom, Crown Dependencies, and Overseas Territories. Retrieved from https://www.gov.uk/government/publications/statutory-review-of-the-exchange-of-notes-arrangements/statutory-review-of-the-implementation-of-the-exchange-of-notes-on-beneficial-ownership-between-the-united-kingdom-crown-dependencies-and-overseas-te#:~:text=In%202016%2C%20the%20UK%2C%20the,Islands%2C%20Cayman%20Islands%2C%20Gibraltar%20and

[50] Local Government Association. (n.d.). What is local government?. Retrieved from URL What is local government? | Local Government Association

[51] Local Government Association. (n.d.). What is local government?. Retrieved from URL What is local government? | Local Government Association

[52] Birmingham City Council. (n.d.). About Birmingham. Retrieved from URL About Birmingham | Birmingham City Council

[53] Local Government Association. (n.d.). What is local government?. Retrieved from URL What is local government? | Local Government Association

[54] IBISWorld. (n.d.). Hospitals in the UK - Industry Report. Retrieved from https://www.ibisworld.com/united-kingdom/industry/hospitals/4540/

[55] Kenton, W. (2023, April 29). How the UK makes money. Investopedia. Retrieved from https://www.investopedia.com/articles/investing/042915/how-uk-makes-money.asp

[56] IBISWorld. (n.d.). Travel insurance in the UK - Industry Report. Retrieved from https://www.ibisworld.com/united-kingdom/industry/travel-insurance/5186/

healthcare sector is very profitable in the UK for companies[57].

The **UK technology** sector is known worldwide for its high-quality Software as a Service products, hardware products, and the vibrant tech start-up community in areas such as London and Cambridge, accounting for roughly 7.2% of the UK's GDP[58]. Many companies such as ARM Holdings, Sage Group, and BT Group are British companies which make up a significant percentage of the international market, earning them recognition in the global tech industry. There are currently over 100,000 software and IT-services companies in the UK, employing around 1.5 million people with a projected 11% increase in tech occupations by 2032[59]. Additionally, according to Tech Nation's 2020 report, the tech sector was the top economic contributor in several regions, including London, Manchester, and Edinburgh[60]. The dynamic, cross-sectoral nature of the tech sector allows for it to affect other industries in the UK such as health, finance, education, and more. The UK has been known as an "innovation powerhouse", with some of the top technology-based universities such as Imperial College London and the University of Cambridge, to the sheer amount of tech start-up investment. In 2023, Europe raised significant funding, with the UK leading in tech investment[61], despite global economic challenges[62].

The **construction** industry in the UK has significantly grown every year from 2012 to 2022. According to Forbes, the construction sector equates to 6% of the UK's GDP[63]. With a growth in population, housing, roads, and other infrastructure is needed to accommodate, creating £150 billion worth of structures in 2023[64]. As of 2023, the UK is home to more than 314,000 construction companies4. Additionally, 2.3 million people are employed by the sector, with a knock-on effect to other sectors such as mining and manufacturing due to the purchase of goods from these industries.

The **retail sector** in the UK is one of the largest and most significant contributors to the national economy. In 2021, it generated approximately £394 billion in sales and contributed around £100 billion in direct labour income, making it a key part of UK employment[65]. The industry comprises over 300,000 enterprises, spanning a wide range of sub-sectors, including bars, garden centres, fashion outlets, supermarkets, and cosmetic retailers. Two of the UK's leading retailers are Tesco, which reported £57 billion in revenue, and Sainsbury's, with £29 billion in revenue in 2022[66]. As of 2023, the retail sector employed approximately 2.3 million people [67]. Beyond direct employment, the sector supports a broad network of related industries, including manufacturing, logistics, agriculture, and services, through the supply chains that enable retail operations.

The UK is widely regarded as an "innovation powerhouse", known for its strong entrepreneurial culture, robust funding ecosystem, and supportive regulatory framework. While countries like Germany or the Netherlands are recognised for their high-quality education systems and skilled talent pools, the UK distinguishes itself with its risk-taking mindset, government support for innovation, and dynamic start-up environment[68]. At the heart of the UK's innovation scene is

[57] Association of the British Pharmaceutical Industry. (2023, December). Latest economic data underlines risk of disincentivising UK life sciences growth. Retrieved from https://www.abpi.org.uk/media/news/2023/december/latest-economic-data-underlines-risk-of-disincentivising-uk-life-sciences-growth/?utm_source=chatgpt.com

[58] GOV.UK. (2023). Digital sector economic estimates: Gross value added 2022 (provisional). Retrieved from https://www.gov.uk/government/statistics/dcms-and-digital-sector-gva-2022-provisional/digital-sector-economic-estimates-gross-value-added-2022-provisional#:~:text=In%202022%2C%20provisional%20estimates%20show,(measured%20in%20current%20prices).

[59] Forbes Advisor. (2024). 2024 Tech Industry Statistics. Retrieved from URL 2024 Tech Industry Statistics – Forbes Advisor

[60] Tech Nation. (2020). Tech Nation Report 2020: UK Tech for a Changing World. Retrieved from https://technation.io/wp-content/uploads/2020/03/Tech-Nation-Report-2020-UK-Tech-For-A-Changing-World-v1_0.pdf

[61] Rist, K. (2024, June 4). Will Europe ever match the U.S. for startup investment and growth? Retrieved from URL Will Europe Ever Match The U.S. For Startup Investment And Growth?

[62] Goodkind, N. (2023, December 7). 2023 was an 'extinction' level year for tech startups. Where did all the money go? CNN Business. Retrieved from URL 2023 was an 'extinction' level year for tech startups. Where did all the money go? | CNN Business

[63] Johnson, A. (2023, August 16). Using construction as an economic indicator. Forbes Business Council. Retrieved from URL Using Construction As An Economic Indicator

[64] Office for National Statistics. (n.d.). Construction industry. Retrieved from https://www.ons.gov.uk/businessindustryandtrade/constructionindustry

[65] British Retail Consortium. (n.d.). Retail and the economy: Facts and figures. Retrieved from https://brc.org.uk/news/corporate-affairs/retail-and-the-economy-facts-and-figures/

[66] British Retail Consortium. (2024). Powering communities: Retail's crucial role in the local economy. Retrieved from https://brc.org.uk/news-and-events/news/corporate-affairs/2024/powering-communities-retail-s-crucial-role-in-the-local-economy/#:~:text=The%20retail%20sector%20plays%20a,key%20driver%20of%20economic%20growth.

[67] Morgan, B. (2023, July 10). Walmart vs. Amazon: Who wins the retail battle in 2023?. Forbes. Retrieved from https://www.forbes.com/sites/blakemorgan/2023/07/10/walmart-vs-amazon-who-wins-the-retail-battle-in-2023/

[68] GOV.UK. (2021). UK Innovation Strategy: Leading the future by creating it. Retrieved from https://www.gov.uk/government/publications/uk-innovation-strategy-leading-the-future-by-creating-it

London, one of the world's most valuable and vibrant tech ecosystems. As of 2023, London's ecosystem was valued at £694 billion, compared to the global average of £24.9 billion[69]. The city is home to 126 unicorns (start-ups valued at over $1 billion), far surpassing the global average of around 3 unicorns per ecosystem. According to the Startup Genome Global Startup Ecosystem Report, London ranks second globally, tied with New York, and just behind Silicon Valley.

The UK capital also boasts over 25,000 tech start-ups, reinforcing its position as a global leader in innovation[70]. This thriving ecosystem demonstrates how the UK consistently outperforms most global regions in fostering high-growth companies, thanks to a blend of strong policy support, deep capital pools, and international talent attraction.

[69]Startup Genome. (n.d.). Global Startup Ecosystem: United Kingdom, London. Retrieved from URL Startup Genome
[70] Startup Genome. (n.d.). Global Startup Ecosystem: United Kingdom, London. Retrieved from URL Startup Genome

Annex 2: Cultural considerations in the UK

A successful entry into the UK procurement market requires an understanding of the cultural landscape, which is vital for building lasting relationships with clients, suppliers, and partners. A nuanced appreciation of cultural considerations can help EU SMEs navigate the complexities of the UK business environment more effectively.

Respect for diversity and cultural sensitivity

The UK is among the most culturally and ethnically diverse countries in the world, with a population that spans a broad spectrum of ethnicities, religions, languages, and backgrounds. In this context, **Diversity, Equity, and Inclusion (DEI)** have become central to how many UK businesses—especially those involved in public procurement—are evaluated[71]. Companies are increasingly expected to demonstrate their commitment to inclusive practices not only within their workforce but also in their supply chains and business strategies.

However, the national conversation around DEI is evolving. While many organisations continue to uphold DEI as a core value, the topic has become more nuanced and, in some cases, contentious. In response to shifts in public opinion, regulatory scrutiny, and stakeholder pressure, some companies have started to reassess or scale back certain DEI initiatives to avoid potential backlash or reputational risks[72].

For EU SMEs, it remains essential to demonstrate a commitment to equal opportunity employment, inclusivity, and minority representation to gain a competitive edge in the UK market. Highlighting partnerships with underrepresented groups, diverse hiring policies, and adherence to anti-discrimination standards can still enhance credibility and appeal[73].

Respect for diversity in the UK extends to compliance with anti-discrimination laws, such as the **Equality Act 2010**. SMEs should familiarise themselves with these laws and ensure their business practices align[74]. Demonstrating adherence to these standards during procurement or partnership discussions reflects cultural sensitivity and positions the business as a credible and ethical partner.

Certain topics should be avoided in business discussions to maintain professionalism and respect. In the UK, these topics are usually coined the "big two" - politics and religion, especially in such a divisive period in British politics. That said, in many online commentaries, alternative arguments regarding diversity and inclusion are changing this narrative, and some think these topics should be spoken about in a business setting. Sometimes, however, it is better to be safe than sorry and have some small talk questions or topics prepared to avoid unnecessary conflict[75].

Business etiquette and hierarchical structures

While the UK operates as a single market, cultural norms and business practices can vary significantly by region. Understanding these regional differences can help EU SMEs tailor their approach to better fit the local business culture and enhance their chances of success in the UK market.

UK business culture values direct yet courteous communication. Transparency, responsiveness, and punctuality are essential for building trust. Hierarchies are often less rigid, with decision-making frequently involving collaboration across teams. SMEs should adapt to this dynamic, maintaining professional yet approachable interactions.

[71] Office for National Statistics. (2022, December 22). *Regional ethnic diversity*. GOV.UK. https://www.ethnicity-facts-figures.service.gov.uk/uk-population-by-ethnicity/national-and-regional-populations/regional-ethnic-diversity/latest

[72] Osuh, C., & Mohdin, A. (2025, May 26). Firms 'rebranding' diversity initiatives to avoid unwanted political attention. *The Guardian*. https://www.theguardian.com/business/2025/may/26/firms-rebranding-diversity-initiatives-avoid-unwanted-political-attention

[73] Government Equalities Office. (2023, April 17). *Positive action in the workplace: Guidance for employers*. GOV.UK. https://www.gov.uk/government/publications/positive-action-in-the-workplace-guidance-for-employers

[74] GOV.UK. (n.d.). Equality Act 2010: Guidance. Retrieved from URL Equality Act 2010: guidance - GOV.UK

[75] BusinessCulture.org. (n.d.). *Business communication in the UK*. Retrieved July 9, 2025, from https://businessculture.org/northern-europe/united-kingdom/business-culture/business-communication/

In terms of etiquette, greetings in UK business settings are typically formal compared to many European norms[76]. A handshake, smile, or simple "hello" is common. While first names are widely used in most workplaces, addressing someone as “Mr.”, “Ms.”, or “Dr.” upon introduction is considered respectful until otherwise indicated. Adapting to these practices will facilitate smoother interactions and foster strong relationships in the UK market.

Business hours, punctuality, and holidays

In the UK, there are federal obligations for a maximum working week, which is typically capped at 48 hours under the Working Time Regulations 1998[77]. Working hours typically range from 35 to 40 hours per week as per the June 2024 report from the Office for National Statistics on UK time use from 2023. Additionally, there are federal regulations regarding paid leave, unlike in the U.S. As per the UK government, employees are entitled to a minimum of 28 days of paid leave per year, which can include bank holidays[78]. Some companies offer additional paid leave, and policies such as unlimited paid time off have become popular in certain sectors. So long as the employee meets the expectations and coordinates with other employees to ensure their time off has not affected their work, they have an unlimited amount of time off[79].

In the UK, life is oftentimes lived at a more measured pace than in the U.S., where the term “time is money” is less prevalent. Punctuality and efficiency are highly valued; therefore, meetings are typically straightforward and to the point.

Since the onset of Covid-19, remote working, or "working from home," has become significantly more prevalent among companies in the United Kingdom. As of 2024, 15% of UK companies operate fully remotely, with an estimated 10 million Britons expected to be working remotely by 2025. This shift is an important consideration when establishing relationships with subcontractors or different "primes" (the primary contracting company in a tender).

However, return-to-office (RTO) policies are currently a highly debated topic. Remote work is facing increasing challenges in both the public and private sectors, with many organisations bringing employees back into the office in large numbers[80]. This trend is likely to affect future contracting strategies and the flexibility of working arrangements in both the short and medium term.

Language considerations

When European SMEs engage in business with UK companies or counterparts, understanding and navigating language considerations is critical to building strong relationships and ensuring effective communication.

First and foremost, while English is the primary language used in business in the UK, SMEs should be mindful of differences between British and American English. Spelling, vocabulary, and even phrasing can differ significantly. For instance, words like "schedule," "quotation," or "turnover" may carry distinct connotations or usage depending on the variation of English employed. Adopting British spelling and terminology, when appropriate, can demonstrate cultural awareness and make communication smoother.

Tone and style of communication are also important. Brits tend to prefer polite and measured language, especially in written communication. While directness is valued, overly blunt or informal phrasing may be perceived as unprofessional or rude. This does not mean sacrificing clarity; rather, it suggests a more courteous approach in emails, presentations, or negotiations.

Cultural nuances play a role as well. Humour, for instance, should be used cautiously. What may be considered witty or appropriate in the US might not resonate or could even be misinterpreted by a UK audience. Clarity should always take

[76] Rivermate. (2025, April 25). *Cultural considerations in United Kingdom*. https://www.rivermate.com/guides/united-kingdom/cultural-considerations
[77] UK Government. (n.d.). *Maximum weekly working hours*. GOV.UK. Retrieved July 10, 2025, from https://www.gov.uk/maximum-weekly-working-hours
[78] Department for Business and Trade. (2024, April 1). *Holiday entitlement rights*. GOV.UK. Retrieved July 10, 2025, from https://www.gov.uk/holiday-entitlement-rights
[79] Indeed Editorial Team. (n.d.). *What Is Unlimited Paid Time Off (PTO)? (With Pros and Cons)*. Indeed. Retrieved July 10, 2025, from https://www.indeed.com/
[80] Statista Research Department. (2025, June). *Coronavirus working location trends in Great Britain* [Statistic]. Statista. Retrieved July 10, 2025, from https://www.statista.com/statistics/1207746/coronavirus-working-location-trends-britain/

precedence, especially when discussing technical details, financial matters, or legal terms.

Lastly, SMEs should pay attention to idiomatic expressions and colloquialisms. While these are common in UK business conversations, they can be confusing for non-native speakers. Similarly, avoiding reliance on American idioms can help prevent misunderstandings. If a phrase or term is unclear, it is always acceptable to ask for clarification to ensure mutual understanding.

Workplace values and key attributes

In the UK, independence, accountability, and a proactive approach are cornerstones of workplace culture[81]. Employees are expected to take ownership of their responsibilities and contribute to projects without needing detailed supervision. This self-driven attitude is particularly valued in dynamic and fast-paced industries like technology and finance. For EU SMEs entering the UK market, demonstrating initiative—such as presenting new ideas or solving problems proactively—can establish credibility and foster stronger partnerships with British counterparts.

A positive attitude is also a defining characteristic of UK workplaces. Optimism, even in challenging situations, is associated with a solution-oriented mindset. For instance, when pitching a business idea, Brits often highlight opportunities and potential solutions rather than dwelling on challenges. EU SMEs can adapt by framing their products or services in terms of how they solve problems or add value to the UK market.

Approach to innovation and risk

The UK is widely recognised as a global hub for innovation, driven by a culture that celebrates entrepreneurship and risk-taking[82]. Success stories such as Dyson, founded by James Dyson, and ARM Holdings, exemplify the entrepreneurial spirit that defines British business culture. Unlike in some EU countries, failure in the UK is often seen as a learning experience rather than a career setback, making it easier for innovators to experiment and take calculated risks.

This openness to innovation is supported by a strong regulatory framework and incentives. For example, the UK offers tax credits for R&D activities, including the Research and Development (R&D) Tax Credit, which rewards businesses for investing in innovation. Typically, qualified research activities must aim to develop or improve a product, process, or software, and involve eliminating technical uncertainty through experimentation. Regional programmes further supplement these benefits, creating an ecosystem that fosters creativity. EU SMEs can leverage such programmes when collaborating with UK partners or expanding their operations in the UK.

Moreover, IP protection in the UK is among the most robust in the world. Patents, copyrights, and trademarks are regulated at the national level by agencies such as the Intellectual Property Office (IPO). For SMEs with unique products, technologies, or services, securing IP rights in the UK ensures nationwide protection against infringement. For example, an EU SME introducing a novel medical device can rely on UK patent laws to safeguard its innovation while exploring market opportunities.

By understanding these cultural and structural elements, EU SMEs can position themselves for success in the UK market while mitigating risks and building long-term business relationships.

[81] Simpson, E. (2024, July 12). *25 etiquette rules in American work culture*. BoldVoice. Retrieved July 10, 2025, from https://www.boldvoice.com/blog/business-etiquette-rules-american-work-culture

[82] Mishra, M., & Fu, J. (2023, October 13). *The telling of the American Dream story and local entrepreneurship*. VoxEU. Retrieved July 10, 2025, from https://cepr.org/voxeu/columns/telling-american-dream-story-and-local-entrepreneurship

Disclaimers

The EIC Innovation Procurement Toolkit is subject to the following exclusions, assumptions, and qualifications:

- The Toolkit has been produced as part of the contract signed by the Consortium Deloitte, Corvers and Intellera (the "Contractor") with the European Innovation Council and SMEs Executive Agency ("EIC/EISMEA"), acting under the powers delegated by the European Commission, having as subject matter the "Strategic use of procurement to open up business opportunities to EIC innovators", also called the Strategic Innovation Procurement Programme (SPIN4EIC) with the number EISMEA/2022/OP/0022 (EISMEA/2023/OP/0003). The information and views set out in this Toolkit are those of the author(s) and do not necessarily reflect the official opinion of EIC/EISMEA. The EIC/EISMEA does not guarantee the accuracy of the data included in this study. Neither EIC/EISMEA nor any person acting on the EIC/EISMEA's behalf may be held responsible for the use which may be made of the information contained therein.
- The Toolkit has been developed with reference to a range of international procurement frameworks, including global best practices, relevant legal instruments, and materials from public or private procurement projects across various jurisdictions. While originally informed by European legislative frameworks, policies, case law from the Court of Justice of the European Union, and EU-funded initiatives, the content has been broadened to support global applicability. Additional sources from the countries targeted by the International Country Profiles have been consulted to enhance the relevance of the Toolkit for innovators seeking to engage in procurement processes beyond national or regional boundaries. In preparing the Toolkit, the author(s) have relied on the accuracy and completeness of the referenced materials. All sources are duly cited within the document.
- The Toolkit offers both a theoretical foundation (based on, e.g., legal provisions under relevant pieces of legislation, legal analysis, and interpretation thereof), and practical guidance, including case studies and examples. These are intended to support innovators, particularly SMEs and start-ups, participating in innovation procurement processes or delivering innovation focused procurement projects globally. It also provides sample wording that may assist in the drafting of procurement documents. However, the information and guidance provided should be regarded as indicative only and may require adaptation to suit the specific context, including:
  a) the requirements and priorities of public or private procurers, as well as the capabilities and solutions available from the suppliers;
  b) the necessity of adhering to applicable legal frameworks governing procurement procedures and the conduct of public or private entities in the country where the procurement is initiated, managed, and executed;
  c) the need for alignment with internal policies, governance structures, or regulations applicable to the contracting authority, public or private body undertaking the innovation procurement activity.

  The Toolkit also contains examples derived from templates of procurement documents used by public or private procurers involved in innovation-driven procurements. While many of these templates originate from EU-funded Pre-Commercial Procurement (PCP) and Public Procurement of Innovative Solutions (PPI) initiatives, they have been selected and adapted to illustrate legislations that are relevant in a wider international context. Where appropriate, examples also reflect practices aligned with international frameworks such as the Agreement on Government Procurement (GPA) of the World Trade Organisation (WTO), and other relevant non-EU procurement models.
- The Toolkit and examples from templates may be used by innovators/suppliers as general guidance for the drafting of their own tender proposals and further tailored to their specific case and applicable legislation. As there are always certain legal concepts which exist in one jurisdiction and not in another, proper legal assistance should be sought to adjust them according to specific case-by-case requirements.
- The content of the reports, policy documents, communications, guidelines, opinions, or memoranda from any other person or entity referred to in the Toolkit, is and remains the exclusive responsibility of that person or entity.